

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY REGARDING THE ESTABLISHMENT OF A NEIGHBORHOOD HOUSING FUND FOR THE PURPOSE OF FACILITATING THE PRODUCTION OF AFFORDABLE HOUSING BY COMMUNITY-BASED, NON-PROFIT ORGANIZATIONS AND MINORITY BUSINESS ENTERPRISES/WOMEN BUSINESS ENTERPRISES IN BOSTON NEIGHBORHOODS.

Whereas the federal government has with-drawn its financial support of programs for the production and maintainance of affordable housing;

Whereas the City of Boston has been and is continuing to experience a crisis in the form of a shortage of affordable housing;

Whereas the Boston Redevelopment Authority is occassionally the recipient of funds which can be made available for the purposes of providing loans and grants to producers of affordable housing;

Whereas the Boston Redevelopment Authority wishes to contribute to the efforts being made by many individuals and organizations in the City of Boston to produce and preserve housing affordable to low- and moderate-income households;

NOW, THEREFORE, BE IT HEREBY RESOLVED:

1. That a fund shall be created for the purpose of facilitating the production of affordable housing by community-based, non-profit organizations and Minority Business Enterprises/Women Business Enterprises (MBE/WBE) in Boston neighborhoods;
2. That such fund shall be called "The Neighborhood Housing Fund";
3. That the voluntary contributions, grants, loan proceeds, and such other funds as the Authority may allocate from time to time shall be deposited into the Neighborhood Housing Fund. The Authority may loan to the fund from time to time amounts up to 70% of unencumbered funds committed to the fund, but in no event more than Five Hundred Thousand Dollars (\$500,000.00);
4. That no disbursement shall be made from the Neighborhood Housing Fund without approval of the Board of the Boston Redevelopment Authority;
5. That a loan committee shall be established for the purpose of making recommendations to the Board regarding loans and grants from the Fund. Said loan committee shall be comprised of five members. Initial appointments to the committee shall be as follows:

(This is in Mayor's Budget)
Rly

Paul L. McCann, Executive Assistant to the Director

William L. Whitman, Assistant to the Director

Joseph Noonan, Assistant Director for Management and Budget

Ricardo Millett, Assistant Director for Neighborhood Housing
and Development

Linda Bourque, Assistant Director for Planning and Zoning;

6. That the purposes of the Neighborhood Development Fund, in addition to those set forth in paragraph 1, above, and such others as the Authority may adopt from time to time shall be those set forth in the Declaration of Trust passed by the Boston City Council and signed by the Mayor for the purposes of administering Development Impact Project Exactions. Said purposes include the commitment of funds for the benefit of housing low- and moderate-income residents of the city of Boston. The adoption of the purposes set forth in the Trust is intended to facilitate the coordination of the city's efforts to produce and preserve low- and moderate-income housing;
7. That eligibility for loans and grants from the Neighborhood Housing Fund shall be established by meeting the requirements set forth in:
 - a. The Housing Creation Regulations adopted by the Boston Redevelopment Authority on April 17, 1986;
 - b. Such rules and regulations as may be adopted by the Neighborhood Housing Trust, and
 - c. such other requirements as the Boston Redevelopment Authority may establish from time to time;
8. That the Neighborhood Housing Fund shall be utilized for the following activities.
 - a. Making grants to eligible projects, provided, however that at no time that the total amount of grants outstanding exceed Fifty Percent (50%) of the funds then allocated to the Fund;
 - b. Making of loans to eligible projects provided however that such loans shall require the payment of interest on outstanding balances at: (i) the long term (10 year) bond rate established by the city of Boston or (ii) the cost of funds to the Boston Redevelopment Authority, whichever is less, and further provided that such loans shall be for the shortest duration possible in order to maximize the availability of funds for other deserving projects; and

c. Making of loan guarantees and other forms of collateral agreements for the benefit of eligible projects;

9. That the Assistant Director for Management and Budget shall be required to submit an audit of the Neighborhood Housing Fund within 120 days of the close of each fiscal year; and

10. That reports on the status of the fund shall be submitted quarterly commencing on the first day of each fiscal year.

NEIGHBORHOOD HOUSING FUND
COMMITTED AND DESIGNATED FUND STATUS REPORT
May 21, 1987

(000s Omitted)

<u>PROJECT</u>	<u>AMOUNT</u>		<u>DESIGNATED HOUSING INITIATIVE</u>	<u>NON-DESIGNATED FUND BALANCE</u>
	<u>COMMITTED</u>	<u>DESIGNATED</u>		
Arlington/Hadassah	\$ 555	\$ 555	Boston Housing Partnership, Granite Properties	\$ ---
101 Arch	700	700	Cass House	---
21 Custom House	225			225
150 Federal Street	200	125	BAC Y & O U	75
75 State	200	153	OIC 36,000 Urban Edge 27,000 *BAC Y & O U 90,000 153,000	47
101 Federal	300	100	*Chinese Consolidated Benevolent Association	200
Back Bay Restoration	700	700	Westminister Willard	---
Parkside West	<u>300</u>	<u>---</u>		<u>300</u>
TOTAL	<u>\$ 3,180</u>	<u>\$ 2,333</u>		<u>\$ 847</u>

* Loan of \$90,000 and Accounts Receivable of \$100,000 payable to NHF.

NEIGHBORHOOD HOUSING FUND
CASH STATUS REPORT
May 21, 198)

(000s Omitted)

		<u>AMOUNT</u>
BEGINNING FUND BALANCE		\$ ---
CASH RECEIVED		
Boston Redevelopment Authority	500*	
101 Arch	700	
21 Custom	225	
75 State	100	
Back Bay Restoration	<u>200</u>	1,725
CASH DISBURSED		
Cass House	700	
OIC Development Corp.	36	
Urban Edge	27	
Chinese Benevolent Association	<u>100</u>	<u>863</u>
ENDING FUND BALANCE		<u>\$ 862</u>

* The Authority commits 70% of the Non-Designated Fund Balance, but no more than \$500,000. This amount will be paid back as committed funds are received.

MEMORANDUM

MAY 21, 1987

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: JOSEPH NOONAN, ASSISTANT DIRECTOR FOR MANAGEMENT AND
BUDGET
WILLIAM L. WHITMAN, ASSISTANT TO THE DIRECTOR

RE: ESTABLISHING A POLICY FOR THE ALLOCATION OF AFFORDABLE
HOUSING AND NEIGHBORHOOD DEVELOPMENT FUNDS

Over the past year, the Authority has been asked to provide small grants, bridge loans, and technical assistance to Boston's community-based, non-profit development entities and to minority business enterprises/women's business enterprises (MBE/WBE). As is commonly known, the reduction in federal assistance for community development and affordable housing is the cause of this increased demand upon local resources.

The Authority has been able to meet the needs of these organizations by providing funding from a variety of sources, such as voluntary contributions from downtown developers, proceeds from BRA grants and loans, and settlements of law suits.

Recently, the Board requested that a policy be established for the allocation of these funds. Such a policy and a set of procedures is attached hereto along with an account of funds received and committed to date. In addition, a recommendation for loans to benefit two important affordable housing projects in Boston's neighborhoods is attached.

The attached resolution proposes the establishment of a fund, to be called Neighborhood Housing and Development Fund, created for the purpose of facilitating the production of affordable housing and neighborhood commercial projects by community-based, non-profit organizations and MBE/WBE's in Boston's neighborhoods. It is proposed that the fund be the recipient of voluntary contributions made to the Authority for the purpose of promoting neighborhood housing and development, and of such other funds as the Authority may receive or allocate for this purpose. It is also requested that the Authority make an initial capitalization loan to the fund in an amount equal to 70 percent of the unencumbered contributions committed to the fund, but not to exceed \$500,000 (five hundred thousand dollars).

It is further proposed that the activities eligible for funding be the same as those eligible for funding by the Neighborhood Housing Trust and under the Housing Creation Regulations adopted by the Authority on April 17, 1987 pursuant to Article 26 of the Boston Zoning Code, or be

individually approved neighborhood commercial projects. A five person loan committee will be established to make funding recommendations to the Authority from time to time. That committee will consist of Paul McCann, William L. Whitman, Joseph Noonan, Linda Bourque, and Ricardo Millett.

Two important examples of affordable housing projects which have nowhere else to turn for funding are the 24-unit Winslow Court project being developed by Opportunities Industrialization Center in Roxbury and the 34-unit project proposed by the Charlestown Economic Development Corporation for Parcel C-2A in the Charlestown Urban Renewal Area.

Winslow Court - Project Summary and Demonstration of Need

Opportunities Industrialization Centers of Greater Boston (OIC) is a non-profit corporation that has been providing job training and employment services in the Dudley Square neighborhood for almost 18 years. OIC has established the OIC Housing Development Corporation (OIC-HDC), a non-profit corporation to serve as the development vehicle for the Winslow Court project.

Winslow Court will consist of 24 newly constructed homeowner-ship townhouse units. The project consists of 20 2-bedroom units (at 1,155 sq. ft./unit) and 4 3-bedroom units (at 1,404 sq. ft./unit). All of these units will be affordable to moderate-income families. The project is located on Dudley Street, at the corner of Dearborn Street, in the Dudley Square neighborhood of Roxbury.

The total development cost of Winslow Court is \$2,589,000 (\$2,164,000 in hard construction costs, and \$425,000 in soft construction costs). OIC-HDC has obtained a construction loan commitment for \$2,094,000 from Shawmut Bank; an additional \$75,000 in equity will be provided by OIC-HDC. Additional funding for this project in the form of a \$360,000 Urban Development Action Grant has been committed to assist in project feasibility.

OIC is also expected to receive a \$250,000 commitment from the Neighborhood Development Fund as a short term loan pending approval of its application for Community Development Action Grant funds in the same amount. In order to close its construction loan with the Shawmut Bank of Boston, an additional \$185,000 is required. It is requested, therefore, that funds in this amount be allocated to the Winslow Court project in the form of a loan convertible to a loan in order to enable the project to begin construction and meet its affordability goals.

Parcel C-2A1 - Project Summary and Demonstration of Need

Disposition Parcel C-2A1 is located on approximately 56,940-square feet of land near Sullivan Square, Charlestown. The Authority granted permission to advertise for developer interest in this site, and on September 18, 1986 a Request for Proposals was issued. Upon reviewing the submissions, the Authority tentatively designated the Charlestown Economic Development Corporation (CEDC) as redeveloper of this site on February 19, 1987.

The CEDC proposes to develop 34 units of housing on this site. Approximately 17 (50%) of the units will be affordable to moderate-income households. The total development cost of this project is estimated to be \$3,054,342.

In order for this project to advance to the point of construction loan commitments, it is necessary for this community-based, non-profit development organization to have sufficient funds to conduct soils borings and produce appropriate surveys and architectural materials for the project's construction lender. It is requested therefore, that up to \$75,000 be made available to CEDC in the form of a short-term loan carrying an interest rate of 7.1 percent and secured by a lien on Parcel C-2A, said loan to be repayable out of construction loan proceeds or such other funds as may become available for the payment of mortgagable project expenses but in no event later than one year from the date hereof.

Appropriate votes follow:

VOTED: That the attached resolution of the Boston Redevelopment Authority regarding an establishment of a Neighborhood Housing and Development Fund for the purpose of facilitating production of affordable housing and neighborhood commercial projects by community-based, non-profit organizations and MBE/WBE in Boston's neighborhoods be adopted.

And further VOTED:

That the Authority loan to the fund up to 70 percent of receivables due and payable to the fund provided that such amount shall not exceed \$500,000.

And further VOTED:

That the Director be and hereby is authorized to enter into a loan agreement with the Charlestown Economic Development Corporation in an amount not to exceed \$75,000, said loan to be for the purpose of funding mortgagable pre-construction development costs related the Parcel C-2A project in the Charlestown Urban Renewal Area, said loan to be repayable to the Authority upon receipt of construction loan proceeds or such other funding as may become available to CEDC, but in no event later than one year from the commitment hereof, said loan to be made at an interest rate equal to the city's long term bond rate or to the Authority's cost of funds, whichever is slower, and said loan to be on such other terms and conditions as the Director may deem to be necessary, appropriate, and in the best interests of the Authority.

And further VOTED:

That a loan in the amount of \$185,000 be made to Opportunities Industrialization Centers for the purpose of reducing the sales prices on the 24 affordable condominium units known as Winslow Court being developed by Opportunities Industrialization Center in Roxbury, provided that such loan may be converted to a grant if other permanent subsidy funds cannot be secured by the end of project construction; that the Director be and hereby is authorized to enter into an agreement to provide such loan on such terms and conditions as may be necessary and appropriate to the completion of the project.

